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8 UNITED STATES DISTRICT COURT
9 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

10 U.S. COMMODITY FUTURES
11 TRADING COMMISSION,

12 Plaintiff,

13 v.

14 PISHON HOLDING LLC, SUNG
15 HONG a/k/a LAWRENCE HONG; and
HYUN JOO HONG a/k/a GRANCE
HONG,

16 Defendants.
17

CASE NO. C17-847-MJP

ORDER GRANTING MOTION
FOR LIMITED RELIEF FROM
STAY, GRANTING MOTION TO
SET ASIDE DEFAULT, AND
GRANTING LEAVE TO AMEND
COMPLAINT

18 THIS MATTER comes before the Court on the U.S. Commodity Futures Trading
19 Commission's ("CFTC") Motion for Limited Relief from Stay as to Defendant Grace Hong (Dkt.
20 No. 39), Motion to Set Aside Default as to Defendants Pishon Holding LLC and Lawrence Hong
21 (Dkt. No. 40), and Motion for Leave to Amend Complaint (Dkt. No. 41).

22 The CFTC alleges that, since September 2015, Defendants have fraudulently solicited
23 more than \$11 million from customers of commodity futures contracts. (See Dkt. No. 1.)

24 Because there is a co-pending criminal case, United States v. Hong, Case No. 17-CR-00163TSZ,

1 arising out of the same allegations, the civil case is currently stayed. (See Dkt. No. 34.) On June
2 1, 2017, the Court entered an ex parte Statutory Restraining Order (“SRO”) to prevent
3 Defendants from concealing assets. (See Dkt. No. 5.) Under the terms of the SRO, Ms. Hong
4 was permitted to maintain only a single checking account, and agreed to “deposit into this
5 checking account all income, monetary gains, or other pecuniary proceeds.” (Dkt. No. 39 at 4.)
6 The CFTC alleges that Ms. Hong violated the SRO by having a deposit for a cancelled yacht
7 order transferred to her mother-in-law rather than into the checking account. (Id. at 4.)

8 The CFTC now moves to (1) have the default entered against Pishon Holding LLC and
9 Mr. Wong set aside so that it may amend the complaint to add claims for misappropriation; (2)
10 amend the complaint to add a claim for misappropriation; and (3) lift the stay for the limited
11 purpose of conducting discovery into whether Ms. Hong violated the terms of the SRO. (See
12 Dkt. Nos. 39, 40, 41.) Ms. Hong, through counsel, objects in light of “the on-going, labor
13 intensive progression of the highly complex criminal prosecution underlying this civil matter.”
14 (Dkt. No. 42 at 2.)

15 The Court finds that the CFTC has established good cause for each of its Motions. On
16 the other hand, Ms. Hong has failed to show that she will be prejudiced should they be granted.
17 Therefore, the Court GRANTS the Motion to Set Aside Default as to Defendants Pishon Holding
18 LLC and Lawrence Hong (Dkt. No. 40) and GRANTS the Motion for Leave to Amend
19 Complaint (Dkt. No. 41). The Court GRANTS the Motion for Limited Relief from Stay as to
20 Defendant Grace Hong (Dkt. No. 39), provided that the discovery requested shall not burden Ms.
21 Hong’s Fifth Amendment rights.

1 The clerk is ordered to provide copies of this order to all counsel.

2 Dated February 15, 2018.

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5 Marsha J. Pechman
6 United States District Judge
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